

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the structured products described below.

Non-collateralised Structured Products

issued by

J.P. Morgan Structured Products B.V. (“Issuer”)

(incorporated with limited liability in The Netherlands)

and unconditionally and irrevocably guaranteed by

JPMorgan Chase Bank, National Association

(a national banking association organized under the laws of United States of America)

**Announcement in relation to Early Termination and Suspension of
Trading of Affected Warrants**

Linked to

Hang Seng TECH Index

**(Stock Codes: 18529, 18532, 18533, 18534, 18536, 18699, 18707, 18708,
18709, 18710, 27222)**

This announcement serves to inform investors in the Affected Structured Products (as defined below):

- (a) that the last trading day of the Affected Structured Products is scheduled to be 1 February 2021;
- (b) that the Affected Structured Products will be suspended from trading on 2 February 2021;
- (c) that the Affected Structured Products will be early terminated with effect on 5 February 2021; and
- (d) on further details about the Early Termination Event (as defined below).

OVERVIEW

As described further in Part 2 of this announcement, we may early terminate a series of derivative warrants (“**Warrants**”) if it becomes illegal or impracticable (i) for us (as the Issuer) to perform our obligations under the Warrants or for the Guarantor to perform its obligations under the guarantee as a result of a change in law event, or (ii) for us (as the Issuer) or any of our affiliates to maintain our hedging arrangement with respect to the Warrants due to a change in law event.

Due to a recent change in the laws of the United States of America (“**United States**”) (as described further in Part 2):

- (a) an event as contemplated in the Early Termination Condition of each series of the Affected Structured Products has occurred; and
- (b) we have determined to early terminate all the Affected Structured Products on 5 February 2021 in accordance with the relevant terms and conditions.

Investors should note the following key dates (each as described further below) in respect of each series of the Affected Structured Products:

Key Dates	Events
1 February 2021 (Monday)	The last trading day
2 February 2021 (Tuesday)	Trading suspension date
5 February 2021 (Friday)	Valuation Date and Early Termination Date (as defined below)
	Delisting date
8 February 2021 (Monday)	The publication date of announcement in respect of the Early Termination Amount (as defined below)
10 February 2021 (Wednesday)	The Settlement Date (as defined below) for payment of the Early Termination Amount to each holder

Terms not defined in this announcement have the meanings given to them in the relevant base listing document and launch announcement and supplemental listing document relating to the Affected Structured Products. References herein to “we” shall mean the Issuer, and the words “us” and “our” should be construed accordingly.

PART 1. EARLY TERMINATION AND SUSPENSION OF TRADING

We announce that:

- (a) an Early Termination Event has occurred pursuant to the Early Termination Condition (as described further below) of the terms and conditions of the Warrants stated in the schedule attached to this announcement (the “**Affected Structured Products**”). In accordance with the Early Termination Condition, we have determined to early terminate all the Affected Structured Products with effect on 5 February 2021 (the “**Early Termination Date**”). Setting of the Early Termination Date is consistent with the current practice for expiry date of derivative warrants (including the Affected Structured Products), with 3 CCASS Settlement Days between the last trading day and the expiry date. The Affected Structured Products will (i) expire on the Early Termination Date, rather than the original scheduled expiry date stated in the schedule attached to this announcement, and (ii) be delisted after market close on the Early Termination Date;
- (b) the last trading day of the Affected Structured Products is scheduled to be 1 February 2021; and
- (c) pursuant to Rule 6.02 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), an application to suspend the trading of each series of the Affected Structured Products stated in the schedule attached to this announcement with effect from 9:00 a.m. (Hong Kong time) on 2 February 2021 will be submitted to the Stock Exchange, and all the Affected Structured Products will be suspended from trading with effect from 9:00 a.m. (Hong Kong time) on 2 February 2021.

PART 2. OCCURRENCE OF AN EARLY TERMINATION EVENT

Early Termination Condition

Pursuant to condition 12 of the Terms and Conditions of the Cash-Settled Index Warrants (the “**Early**

Termination Condition”) applicable to the relevant series of the Affected Structured Products, we may terminate the relevant Affected Structured Products prior to their respective original scheduled expiry dates if we determine in good faith and in a commercially reasonable manner that, for reasons beyond our control, it has become or it will become illegal or impracticable:

- (a) for us (as the Issuer) to perform our obligations under the Affected Structured Products, or for the Guarantor to perform its obligations under the guarantee, in whole or in part as a result of:
 - (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or
 - (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),(each of (i) and (ii), a “**Change in Law Event**”); or
- (b) for us (as the Issuer) or any of our affiliates to maintain the Issuer’s hedging arrangements with respect to the Affected Structured Products due to a Change in Law Event.

In such event, the amount payable by us (if any) will be the fair market value of the Affected Structured Products, less our cost of unwinding any related hedging arrangements as determined by us.

Occurrence of a Change in Law Event and an Early Termination Event

Under the Issuer’s Hong Kong listed issuance programme for structured products (the “**Programme**”):

- (a) JPMorgan Chase Bank, National Association (a national banking association organized under the laws of the United States) is the Guarantor of structured products issued under the Programme, under which, it guarantees the timely and complete payment and performance, as and when due, of the obligations of the Issuer under the structured products issued under the Programme (including the Affected Structured Products) in accordance with the product terms and conditions; and
- (b) J.P. Morgan Broking (Hong Kong) Limited (a company incorporated in Hong Kong) is appointed by the Issuer as its agent to provide liquidity for all structured products issued under the Programme, including the Affected Structured Products (the “**Liquidity Provider**”).

The Guarantor, the Issuer and the Liquidity Provider are collectively referred to as the “**Issuer Group**” in this announcement.

Based on the publicly available information as of the date of this announcement with respect to the Executive Order 13959 issued by the President of the United States (the “**Executive Order**”) and frequently asked questions (including 858, 860, 861) related to the Executive Order, “Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies.” published by the Office of Foreign Assets Control (“**OFAC**”), the Issuer Group has determined in good faith and in a commercially reasonable manner that:

- (a) the Executive Order constitutes a Change in Law Event applicable to the Issuer Group;
- (b) the Early Termination Condition has been triggered due to such Change in Law Event; and
- (c) the Affected Structured Products will be early terminated on the Early Termination Date in accordance with the Early Termination Condition (the “**Early Termination Event**”), at the applicable Early Termination Amount as described further in Part 3 below.

The Executive Order will affect the Affected Structured Products with effect from 9:30 a.m. eastern standard time (US time) on 1 February 2021. The applicability of the prohibitions in the Executive Order

to the Affected Structured Products on 1 February 2021 are based on the guidance publicly available from OFAC as of 15 January 2021 (US time), and are subject to any additional guidance OFAC might issue either as to the scope of the prohibitions under the Executive Order or as to the effective date.

There may be other listed structured products linked to certain restricted companies that are subject to the Executive Order after 1 February 2021 (US time).

The United States government has publicly stated its intention to impose sanctions on additional companies under the Executive Order, and those sanctions may affect other structured products linked to such additional company names in the future.

We will monitor closely the developments with respect to the Executive Order and will publish further announcement to inform investors if any of our listed structured products is linked to the underlying company names and securities restricted pursuant to the Executive Order on a timely basis.

PART 3. EARLY TERMINATION ARRANGEMENT

Early Termination Amount

Pursuant to the Early Termination Condition, we will pay to each holder of the Affected Structured Products a cash amount determined by us in good faith and in a commercially reasonable manner, being the fair market value in respect of the Affected Structured Products held by such holder immediately prior to the early termination (ignoring such illegality or impracticability) less the cost to us of unwinding any related hedging arrangement as determined by J.P. Morgan Securities (Asia Pacific) Limited (as the agent) in its sole and absolute discretion (the “**Early Termination Amount**”).

As disclosed in the launch announcement and supplemental listing document applicable to each series of the Affected Structured Products, the price of a Warrant linked to an underlying index will generally depend on the level of such underlying index, and a range of factors, including (amongst others):

- the strike level of the derivative warrants;
- the level and volatility of the underlying index;
- the time remaining to expiry;
- the interim interest rates and expected dividend payments or other distributions on any components comprising the underlying index;
- the liquidity of the futures contracts relating to the underlying index; and
- our related transaction cost.

In determining the Early Termination Amount for each series of the Affected Structured Products (which are the Warrants), we intend to use our existing pricing model for the relevant series of the Affected Structured Products. The key market factor inputs of such pricing model are:

- (a) the **Closing Level** will be set by reference to the average of the underlying index level during the five-minute interval on the Valuation Date (or, if such average index level is not made available by the Index Compiler, the closing level of the underlying index made available by the Index Compiler in respect of the Valuation Date);
- (b) the **Valuation Date** for the Affected Structured Products will be the Early Termination Date, provided that if the Early Termination Date is not a trading day on the Stock Exchange, the trading day immediately succeeding the Early Termination Date;
- (c) the average of the implied volatility applicable to the relevant series based on the mid-price of the Issuer’s bid and ask quotes as at or immediately before market close in Hong Kong on the two

trading days immediately preceding the trading suspension date (scheduled to be 29 January 2021 and 1 February 2021); and

- (d) the time value between the Early Termination Date and the original scheduled expiry date of the relevant series.

Investors must note that the valuation methodologies applicable to different listed structured products vary according to the actual terms of the relevant product and the relevant valuation model applied by us based on our actual underlying hedging arrangements as of the relevant time. Our current intended approach for the valuation methodology applicable to the Early Termination Amount of the Affected Structured Products only applies to such product, and must not be construed as applicable to, or the benchmark for, other similar listed structured products (whether or not linked to the same underlying index) issued under the Programme.

We will notify each holder of the Affected Structured Products of the actual amount of the Early Termination Amount no later than the trading day after the Early Termination Date (currently scheduled to be 8 February 2021) by publication of an announcement on the HKEXnews website.

Settlement process

The Early Termination Amount will be paid by transfer to the CCASS account through which the relevant Affected Structured Products are held on the third CCASS Settlement Date after the Valuation Date (currently scheduled to be 10 February 2021, “**Settlement Date**”). Payment of the Early Termination Amount to such account will be a complete discharge of our obligation to pay such Early Termination Amount. Investors should note that if you are not a CCASS investor participant and do not have a CCASS account, you will have to rely on your broker to ensure that the Early Termination Amount is credited to your account with your broker (and if applicable, its custodian).

Any payment of the Early Termination Amount shall be made net of any taxes, duties, fees, levies and other charges incurred in respect of such payment or otherwise in connection with such early termination. Investors should also check with their brokers (if any) as to whether there are any charges payable to their brokers. We are not responsible for any tax, duties or charges imposed by any tax authority in respect of the payment of the Early Termination Amount or otherwise in connection with such early termination. Investors should obtain independent tax advice if they are in any doubt.

PART 4. TRADING IN THE AFFECTED STRUCTURED PRODUCTS BEFORE EARLY TERMINATION DATE

Investors should exercise particular caution in trading the Affected Structured Products before the trading suspension date of the Affected Structured Products as the price of the Affected Structured Products may fluctuate significantly, which may adversely affect investors’ investment in the Affected Structured Products.

PART 5. CONTACT DETAILS FOR INVESTORS’ ENQUIRIES

Contact details

Investors in the Affected Structured Products may obtain further information relating to the Early Termination Event as follows:

- (a) visit our designated website at <http://www.ipmwarrants.com.hk>; or
- (b) call our hotline at +852 2800 7878.

The announcement contains important information which may negatively affect your investment in the Affected Structured Products. You must read this announcement carefully and (where appropriate) seek professional advice before investing in or dealing in the Affected Structured Products.

J.P. Morgan Structured Products B.V.
Hong Kong, 18 January 2021

Schedule: List of Affected Structured Products

The list of Affected Structured Products is based on market information as of market close of 18 January 2021.

	Stock Code of Affected Structured Products	Type	Underlying Index	Strike Level	Original Scheduled Expiry Date	Early Termination Date
1	18529	Put Warrants	Hang Seng TECH Index	7,700	28 May 2021	5 February 2021
2	18532	Call Warrants	Hang Seng TECH Index	8,200	28 May 2021	5 February 2021
3	18533	Call Warrants	Hang Seng TECH Index	8,800	29 June 2021	5 February 2021
4	18534	Call Warrants	Hang Seng TECH Index	8,600	28 May 2021	5 February 2021
5	18536	Put Warrants	Hang Seng TECH Index	7,400	28 May 2021	5 February 2021
6	18699	Call Warrants	Hang Seng TECH Index	8,100	29 July 2021	5 February 2021
7	18707	Call Warrants	Hang Seng TECH Index	8,400	29 June 2021	5 February 2021
8	18708	Call Warrants	Hang Seng TECH Index	9,000	28 May 2021	5 February 2021
9	18709	Call Warrants	Hang Seng TECH Index	10,000	30 August 2021	5 February 2021
10	18710	Put Warrants	Hang Seng TECH Index	6,800	29 July 2021	5 February 2021
11	27222	Put Warrants	Hang Seng TECH Index	8,000	28 May 2021	5 February 2021